

## **REQUIREMENTS FOR RISK RETENTION GROUPS**

The State of Utah, in accordance with the Risk Retention Act of 1986 (the Act), requires that Risk Retention Groups wishing to operate in Utah provide the following detailed information:

### **LICENSING OF AGENTS AND BROKERS**

All parties wishing to act as a producer or broker for a Risk Retention Group must obtain a Utah producer license.

### **AGENT AS SERVICE OF PROCESS**

The Insurance Commissioner of the State of Utah, or his successors, shall be made an agent of the Risk Retention Group solely for the purpose of receiving service of legal documents or process.

### **UNFAIR CLAIMS PRACTICES AND DECEPTIVE ACTS**

Each Risk Retention Group is required to comply with the statutes and rules of Utah pertaining to unfair claims practices and deceptive acts.

### **PREMIUM TAXES**

Premium taxes are to be paid on a retaliatory basis to the State of Utah Tax Commission on premiums collected on risks located in Utah.

### **PLAN OF OPERATIONS/FEASIBILITY STUDY**

All Risk Retention Groups are required to submit a Plan of Operations/Feasibility Study. The study must include, but not necessarily be limited to, the following items:

1. The coverage's, coverage limits, etc. for each line of liability insurance the group intends to offer.
2. Loss experience of the proposed members.
3. Financial statements and projections.
4. Opinion by a qualified, independent casualty actuary.
5. Identification of management, which should include for each principal party of the group, a short biographical summary which contains as a minimum: name, address, business background, and insurance experience.
6. Such other matters as may be prescribed by the commissioner for liability insurance companies authorized by the insurance laws of the State of Utah.

### **FINANCIAL STATEMENT**

A complete financial statement as submitted to the Risk Retention Group's state of domicile is to be filed with the Commissioner of Insurance of the State of Utah.

## FILING FEES REQUIREMENTS

Initial filing fee due with application in the amount of **\$300.00** is required. This includes \$250.00 filing fee and a \$50.00 E-Commerce and Technology fee which is used by the Utah Insurance Department to develop e-commerce applications to facilitate electronic data interchange between the Department, its licensees, other regulatory agencies, and the public. *[R590-102-1-c]*

## STATEMENT OF RELATED EXPOSURE

A signed statement by the principal officers of the company certifying that all member of the group have like or similar risk exposures.

## CERTIFICATE OF COMPLIANCE

A certificate of compliance indicating that a risk retention group meets all requirements of a properly licensed insurance company from its state of domicile.

## AUTHORIZATION TO APPOINT AND REMOVE AGENTS

For a Risk Retention Group to use the services of a producer, the producer must be duly appointed by a person designated to appoint and remove producers.

SUBMISSIONS THAT DO NOT COMPLY WITH THESE PROCEDES WILL BE CONSIDERED INCOMPLETE AND WILL BE RETURNED WITHOUT ACTION. REJECTED SUBMISSIONS THAT ARE RESUBMITTED ARE TREATED AS NEW AND NEW SUBMISSION FEES ARE REQUIRED.

Any questions please contact Teresa Trusty, Licensing Examiner at [ttrusty@utah.gov](mailto:ttrusty@utah.gov), 801-538-3814, or Eric Showgren, Company Licensing Manager at [eshowgren@utah.gov](mailto:eshowgren@utah.gov), 801-537-9174

Utah State Insurance Department  
3110 State Office Building  
Salt Lake City, Utah 84114

STATE OF UTAH  
Insurance Department  
Risk Retention Group Disclosure Statement

Type of Application (mark one): Original \_\_\_\_\_ Renewal \_\_\_\_\_

Name of Risk Retention Group \_\_\_\_\_

FEIN Number \_\_\_\_\_

State of Domicile \_\_\_\_\_ Date Admitted in State of Domicile \_\_\_\_\_

Principal Place of Business of the Group \_\_\_\_\_

Statutory Home address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Company Renewal address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Company Renewal Contact Person/Title \_\_\_\_\_

Phone \_\_\_\_\_ E-Mail \_\_\_\_\_

CHECK ONE OR BOTH OF THE FOLLOWING:

Company will use surplus lines broker(s) \_\_\_\_\_ and/or appointed producers \_\_\_\_\_

Types of Liability Coverage(s):

\_\_\_\_\_  
\_\_\_\_\_

I (We), the principal officers of this Risk Retention Group, certify that the membership and ownership of this Group are in compliance with the requirements set forth in Section 2(a)(4) of the Risk Retention Act of 1986.

\_\_\_\_\_

(Name, please print) (Title)

\_\_\_\_\_

(Signature)

Date \_\_\_\_\_

\_\_\_\_\_

(Name, please print) (Title)

\_\_\_\_\_

(Signature)

Date \_\_\_\_\_

**NAIC RISK RETENTION REPORTING FORM**

Page 1 of 3

Company Name: \_\_\_\_\_ NAIC Co. Code: \_\_\_\_\_

Domicile: \_\_\_\_\_ FEIN: \_\_\_\_\_

Type: \_\_\_\_\_ (\* See Below)

Incorporation Date: \_\_\_\_\_ Commenced Business: \_\_\_\_\_

Statutory Home Office: \_\_\_\_\_

Administrative Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Officers:

President: \_\_\_\_\_

Secretary: \_\_\_\_\_

Treasurer: \_\_\_\_\_

Management Firm: \_\_\_\_\_

\*Company Type:      1 = Mutual  
                             2 = Reciprocal  
                             4 = Stock  
                             8 = Captive

**NAIC RISK RETENTION REPORTING FORM**

Page 2 of 3

A. Minimum Capital & Surplus Required to Commence Business:

Capital \$ \_\_\_\_\_

Surplus \$ \_\_\_\_\_

B. Capital & Surplus As Of \_\_\_\_\_  
(Date Licensed)

Capital \$ \_\_\_\_\_

Surplus \$ \_\_\_\_\_

Surplus to  
Policyholders: \$ \_\_\_\_\_

Initial Capitalization: \_\_\_\_\_

Cash & Other Invested Assets: \$ \_\_\_\_\_

Letter(s) of Credit \_\_\_\_\_

Other (Describe: \_\_\_\_\_) \_\_\_\_\_

\$ \_\_\_\_\_  
Total Initial Capitalization

Surplus Notes:

Amount \$ \_\_\_\_\_

Lender(s) \_\_\_\_\_

C. Authorized Lines of Business: (Describe Coverage's, List Statutory Reference and Attach Certificate of Authority)

\_\_\_\_\_  
\_\_\_\_\_

**NAIC RISK RETENTION REPORTING FORM**

Page 3 of 3

D. Deposit or Investment Held For the Protection of ALL Policyholders:

Description: \_\_\_\_\_

Market Value: \_\_\_\_\_

E. Is Company Required to File the NAIC Annual Statement Blank: \_\_\_\_\_

F. States in Which the Group Intends to Operate:

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G. Describe the Business of the Member:

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The following is the uniform registration form adopted in June 1991, by the NAIC.

**Part A**

**STATE OF UTAH  
DEPARTMENT OF INSURANCE  
RISK RETENTION GROUP - NOTICE AND REGISTRATION**  
(All Information Should Be Typed)

1. Name of the Risk Retention Group as it appears on its Certificate of Authority:

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2. List any other name(s) by which the Risk Retention Group is known or may be doing business in this State or any other state:

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3. The Risk Retention Group is a corporation or other limited liability association who's primary activity consists of assuming and spreading all, or any portion, of the liability exposure of its members.

4. The Risk Retention group is organized for the primary purpose of conducting the activity described under Item #3 above.

5. The Risk Retention Group is chartered and licensed as a liability insurance company under the laws of the State of \_\_\_\_\_, and is authorized to engage in the following lines and/or classifications of insurance under the laws of its chartering State:

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6. The Risk Retention Group does not exclude any person from membership in the Group solely to provide for members of the Group a competitive advantage over such a person.

7. Ownership of the Risk Retention Group consists of one or the other of the following (check one):

a) \_\_\_\_\_ the owners of the Group are the only persons who comprise the membership of the Group and who are provided insurance by the Group.

b) \_\_\_\_\_ the sole owner of the Group is: \_\_\_\_\_

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(Name and Address of Organization)

## RISK RETENTION GROUP FORM

An organization which has as its members only persons who comprise the membership of the Group and which has as its owners only persons who comprise the membership of the Group and who are provided insurance by the Group.

8. The Risk Retention Group members are engaged in businesses or activities similar or related with respect to the liability to which such members are exposed by virtue of related, similar or common business, trade, product, services, premises or operations. Give a general description of businesses or activities engaged in by the Group's members:

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9. The activities of the Risk Retention Group do not include the provision of insurance other than:

- (a) liability insurance for assuming and spreading all or any portion of the similar or related liability exposure of its Group members; and
- (b) reinsurance with respect to the similar or related liability exposure of another Risk Retention Group (or a member of such other Risk Retention Group) engaged in business or activities which qualify such other Risk Retention Group (or member) under Item #8 above for membership in this Group.

10. (a) List the name, telephone number and address of each officer and director of the Risk Retention Group: (Attach additional pages, if necessary.)

<u>Name</u>	<u>Telephone#</u>	<u>Position With Risk Retention Group</u>	<u>Address</u>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>

- (b) Identify and give the telephone number and e-mail address of the officer or director of the Risk Retention Group who can be contacted for any information regarding the management of the insurance activities of the Group:

Name: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_



## RISK RETENTION GROUP FORM

11. List the name, address, telephone number and Federal Employer Identification Number (FEIN) of the company responsible for managing the insurance operations of the Risk Retention Group and the contact person at the company: (If none, answer none.)

<u>Name</u>	<u>FEIN</u>	<u>Address</u>	<u>Telephone #</u>
_____	_____	_____	_____
_____	_____	_____	_____

Contact Person: \_\_\_\_\_ Telephone # \_\_\_\_\_  
E-Mail: \_\_\_\_\_

12. List the name(s), telephone#(s) and address(es) of the licensed insurance agent(s) or broker(s) responsible for marketing the Risk Retention Group's insurance policies and the state(s) in which they are licensed: (If none, answer none. Attach additional pages, if necessary.)

<u>Name</u>	<u>Telephone#</u>	<u>Address</u>	<u>State(s)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

13. The Risk Retention Group will comply with the unfair claim settlement practices laws of this State.
14. The Risk Retention Group will pay, on a non-discriminatory basis, applicable premium and other taxes which are levied on such Group under the laws of this State.
15. The Risk Retention Group has designated the Insurance Commissioner [Director, Superintendent] of this State to be its agent solely for the purpose of receiving service of legal documents or process by executing Part B of this form, attached hereto.
16. The Risk Retention Group will submit to examination by the Insurance Commissioner [Director, Superintendent] of this State to determine the Group's financial condition, if:
- (a) the Insurance Commissioner [Director, Superintendent] of the Group's chartering State has not begun or has refused to initiate an examination of the Group; and
  - (b) any such examination by the Insurance Commissioner [Director, Superintendent] is coordinated to avoid unjustified duplication and unjustified repetition.
17. The Risk Retention Group will comply with a lawful order issued in a delinquency proceeding commenced by the Insurance Commissioner [Director, Superintendent] of this State upon a finding of financial impairment, or in a voluntary dissolution proceeding.

## **RISK RETENTION GROUP FORM**

18. The Risk Retention Group will comply with the laws of this State concerning deceptive, false or fraudulent acts or practices, including any injunctions regarding such conduct obtained from a court of competent jurisdiction.
19. The Risk Retention Group will comply with an injunction issued by a court of competent jurisdiction upon petition by the Insurance Commissioner [Director, Superintendent] of this State alleging that the Group is in hazardous financial condition or is financially impaired.
20. The Risk Retention Group will provide the following notice, in at least 10-point type, in any insurance policy issued by the Group:

### **NOTICE**

**This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your risk retention group.**

21. The Risk Retention Group has submitted to the Insurance Commissioner [Director, Superintendent] as part of this filing and before it has offered any insurance in this State, a copy of the plan of operation or feasibility study which it has filed with the Insurance Commissioner [Director, Superintendent] of its chartering State. This plan or study includes the name of the State in which the Group is chartered, as well as the Group's principal place of business, and such plan or study further includes the coverage's, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the Group intends to offer. The Group will promptly submit to the Insurance Commissioner [Director, Superintendent] of this State any revisions of such plan or study to reflect any changes to the plan if the Group intends to offer any additional lines of liability insurance, including any change in the designation of the State in which it is chartered.
22. The Risk Retention Group will submit a copy of its annual financial statement submitted to its chartering state, to the Insurance Commissioner [Director, Superintendent] of this State, by March 1 of each year. The annual financial statement will be certified by an independent public accountant and include a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist. The certification and statement of opinion on loss and loss adjustment expense reserves will be submitted to the Insurance Commissioner [Director, Superintendent] of this State by the date it is required to be submitted to its chartering state.
23. The Risk Retention Group will not solicit or sell insurance to any person in this State who is not eligible for membership in the Group.
24. The Risk Retention Group will not solicit or sell insurance in this State, or otherwise operate in this State, if the Group is in hazardous financial condition or is financially impaired.

### **RISK RETENTION GROUP FORM**

25. The Risk Retention Group will not issue any insurance policy in this State which provides coverage prohibited generally by statute of this State or declared unlawful by the highest court of this State whose law applies to such policy.
26. The Risk Retention Group has submitted a registration fee of **\$300.00**, which includes a \$250.00 filing fee and \$50.00 E-Commerce Technology fee, if applicable, payable to the Utah Insurance Department.
27. The Risk Retention Group will comply with all other applicable state laws.
28. The Risk Retention Group will notify the Insurance Commissioner [Director, Superintendent] as to any subsequent changes in any of the items included in this form.

The undersigned hereby swear and affirm that the foregoing statements and information regarding their principal, the \_\_\_\_\_ are true and correct.  
(Name of Risk Retention Group)

\_\_\_\_\_  
President of the Risk Retention Group

\_\_\_\_\_  
Secretary of the Risk Retention Group

State of \_\_\_\_\_)

ss:

County of \_\_\_\_\_)

Sworn before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_, Notary Public. My Commission Expires: \_\_\_\_\_

## **RISK RETENTION GROUP FORM**

### **Part B**

#### **APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE AND DESIGNATION**

The \_\_\_\_\_ (“the Group”), a risk retention group which is chartered and licensed as a liability insurance company under the laws of the State of \_\_\_\_\_, having notified the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_ of its intention to do business in this State as a risk retention group pursuant to the federal Liability Risk Retention Act of 1986, hereby appoints the Insurance Commissioner [Director, Superintendent] of the State of \_\_\_\_\_, any successor in office, and any authorized deputy its true and lawful attorney, in and for the State of \_\_\_\_\_, upon whom all legal documents or process in any proceeding against it may be served. Such service of process shall be of the same legal force and validity as if served personally upon the Group.

The Group designates:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(E-Mail)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, Town or Village)

\_\_\_\_\_  
(State and ZIP Code)

as its officer, agent or other person to whom shall be forwarded all legal documents or process served upon the Insurance Commissioner [Director, Superintendent] of the State of Utah, any successors in office or any authorized deputy, for the Group. This designation shall continue in full force and effect until superseded by a new written designation filed with the Insurance Commissioner [Director, Superintendent].

## RISK RETENTION GROUP FORM

This appointment and designation is made pursuant to a resolution by the Group's governing body authorizing it and a certified copy of the resolution is attached hereto. This appointment shall be binding upon any person or corporation which as successor acquires the Group's assets or assumes its liabilities, by merger or consolidation or otherwise.

This appointment may be withdrawn only upon a written notice of termination and, in any event, shall not be terminated by the Group or its successor so long as any contracts or liabilities or duties arising out of contracts entered into by the Group while it was doing business in this State are in effect.

IN WITNESS OF THIS APPOINTMENT AND DESIGNATION, the Group, in accordance with the resolution of its Board of Directors duly passed on \_\_\_\_\_, 20\_\_\_\_, has affixed its corporate seal, and caused the same to be subscribed and attested in its name by its President and Secretary, at the City of \_\_\_\_\_ in the State of \_\_\_\_\_ on \_\_\_\_\_, 20\_\_\_\_.

(Name of Risk Retention Group)

By: \_\_\_\_\_ President

\_\_\_\_\_  
Secretary

State of \_\_\_\_\_) ss:

County of \_\_\_\_\_)

Sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_, Notary Public. My Commission Expires: \_\_\_\_\_